

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM  
OF THE STATE OF HAWAII  
HELD ON MONDAY, JUNE 13, 2011  
CITY FINANCIAL TOWER, 201 MERCHANT STREET, SUITE 1935  
HONOLULU, HAWAII

ROLL CALL

Trustees present: Mr. Colbert Matsumoto, Chair  
Ms. Jackie Ferguson-Miyamoto  
Mr. Emmitt Kane  
Mr. Alton Kuioka  
Ms. Pili'alo'ha Lee Loy  
Mr. Jerome Rauckhorst  
Mr. Wayne J. Yamasaki  
Mr. Kalbert K. Young

Attorneys: Ms. Diane Kishimoto, Deputy Attorney General  
Mr. Brian Aburano, Deputy Attorney General

Staff: Mr. Wesley K. Machida, Administrator  
Ms. Kanoe Margol, Assistant Administrator  
Mr. Rodney June, Chief Investment Officer  
Mr. Vijoy Chattergy, Investment Specialist  
Ms. Gerri Konishi, Member Home Loan Assistant  
Ms. Wanda Kugiya, Recording Secretary

Guests: Mr. Neil Rue ) Pension Consulting Alliance, Inc.  
  
Mr. Eric Becker ) Macquarie Funds Group  
Mr. Andrew Betz )  
Ms. Erica Bushner )  
Mr. Rick Fratus )

QUORUM

A quorum being present, Chair Colbert Matsumoto called the meeting to order at 9:46 a.m.

NEW BUSINESS

TRUSTEE ELECTION

The Administrator presented a timetable for the election of a general employee trustee for the term beginning on January 2, 2012. The Administrator distributed the Hawaii Administrative Rules, Title 6, Chapter 24, Election of Members and Retirant of the System to the Board of Trustees.

On a motion made by Ms. Lee Loy, seconded by Mr. Rauckhorst, and unanimously carried, the Board approved the following 2011 Trustee Election Timetable:

DESCRIPTION	TENTATIVE SCHEDULE
Publication notice of Trustee Election	June 26, 2011
Invitation letter to employee organizations to provide a candidate	June 26, 2011
Post notice of Trustee Election on ERS website	June 26, 2011
Nomination papers must be received by ERS no later than 4:30 p.m.	August 25, 2011
Review signatures on petition; printing and insertion of election materials	September & October 2011
Mail 115,000 ballots	October 13, 2011
Postmark deadline	November 3, 2011
Ballot tally	November 9, 2011
Results presented at Board of Trustees' Meeting	December 12, 2011

#### EXECUTIVE SESSION

On a motion made by Ms. Ferguson-Miyamoto, seconded by Mr. Kuioka, and unanimously carried, the Board entered into Executive Session:

- pursuant to HRS § 92-5(a)(8), to hear a status report from Macquarie Funds Group (USA) Inc. on HiTIP;
- pursuant to HRS § 92-5(a)(8), to consider, deliberate, and act on BlackSand Capital Opportunity Fund I, L.P. real estate investment opportunity;
- pursuant to HRS § 92-5(a)(8), to consult the Actuary regarding preliminary investigations and studies regarding ERS funded status;
- pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities relating to a qui tam action; appropriate action;
- pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities regarding the appeal by Ronald Matsumura; appropriate action; and
- pursuant to HRS § 92-5(a)(2), to evaluate the Administrator.

EXECUTIVE SESSION TO HEAR A  
STATUS REPORT FROM MACQUARIE  
FUNDS GROUP (USA) INC ON HiTIP

EXECUTIVE SESSION TO CONSIDER,  
DELIBERATE, AND ACT ON  
BLACKSAND CAPITAL OPPORTUNITY  
FUND I, L.P. REAL ESTATE  
INVESTMENT OPPORTUNITY

Mr. Young and Mr. Rue left the meeting.

EXECUTIVE SESSION TO CONSULT  
WITH THE BOARD'S ATTORNEYS ON  
QUESTIONS AND ISSUES PERTAINING  
TO THE BOARD'S POWERS, DUTIES,  
PRIVILEGES, IMMUNITIES AND  
LIABILITIES RELATING TO A QUI  
TAM ACTION; APPROPRIATE ACTION

EXECUTIVE SESSION TO CONSULT  
WITH THE BOARD'S ATTORNEYS ON  
QUESTIONS AND ISSUES PERTAINING  
TO THE BOARD'S POWERS, DUTIES,  
PRIVILEGES, IMMUNITIES AND  
LIABILITIES REGARDING THE APPEAL  
BY RONALD MATSUMURA;  
APPROPRIATE ACTION

EXECUTIVE SESSION TO CONSULT  
THE ACTUARY REGARDING  
PRELIMINARY INVESTIGATIONS AND  
STUDIES REGARDING ERS FUNDED  
STATUS

Mr. Rue returned to the meeting

Mr. Aburano left the meeting.

Mr. Young returned to the meeting at 11:47 a.m.

Ms. Kishimoto left the meeting.

The Administrator, CIO, staff, and Mr. Rue left the meeting.

EXECUTIVE SESSION TO EVALUATE  
THE ADMINISTRATOR

On a motion made by Mr. Kuioka, seconded by Ms. Lee Loy, and  
unanimously carried, the Board emerged from Executive Session.

#### ADJOURNMENT

On a motion made by Ms. Lee Loy, seconded by Mr. Kuioka, and  
unanimously carried, the Chair adjourned the meeting at 1:12 p.m.

**REDACTED**

Wesley K. Machida  
Administrator

WKM:wsk